

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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**In the Matter of the Arbitration Between**

**Name of Claimant(s)**

**PaineWebber, Inc.**

**94-00584**

**Name of Respondent(s)**

**Steven A. Norton**

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on February 16, 1994, Claimant PaineWebber, Inc., through its in-house counsel, Joseph Generelli, Esq., alleged that Respondent Steven A. Norton voluntarily resigned from the firm on June 12, 1992 to work for another firm, but that on April 23, 1993, a complaint was filed against Claimant, a former client of Respondent Norton. The Claimant contended that it paid \$5,000.00 in a settlement to Mrs. Parker for unsuitable investments, and further that the unsuitable investments were made by the Respondent while employed by the firm. The Claimant further contended that Respondent has refused to pay for the damages owed to the firm, for which it is entitled to, as indemnification for the amount of monies paid to the customer as a settlement.

Respondent Steven A. Norton, who appeared Pro Se, maintained that the answer he filed with Leslie Swor, Compliance Assistant for the 11th District of NASD was sufficient to act as his answer for this arbitration proceeding. In that answer the Respondent maintained that in September 1991 he discussed the investment options for Mrs. Parker and that \$24,000.00 of Mrs. Parker's IRA was invested for future needs in PaineWebber's Global Health Science Fund, which were to be left alone for at least five years. Respondent contended that Mrs. Parker has \$200,000.00 already diversified with an AAA insurance company in a fixed rate annuity and he felt that a \$24,000.00 IRA investment in a diversified mutual fund of health care stocks was prudent. Respondent Norton further maintained that the \$24,000.00 investment was done in view of Mrs. Parker's overall goals and that

the total portfolio was conservative in nature.

**RELIEF REQUESTED**

Claimant PaineWebber requested \$5,000.00 in actual damages, plus interest at 10% per annum from July 1, 1993, \$500.00 in attorneys' fees, and filing fees of \$575.00.

Respondent Steven A. Norton requested that the claims of the claimant be dismissed.

**AWARD**

Pursuant to Section 10 of the NASD Code of Arbitration Procedure, a single Industry arbitrator, Jeffrey Larsen, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 11, 1994 and by the Respondent on September 22, 1994.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant PaineWebber Inc. against the Respondent Steven A. Norton are dismissed in their entirety.
2. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers Inc. shall be retained by the NASD.
3. The parties shall bear their respective costs.

### Affirmation

STATE OF Massachusetts } SS:

} SS:

COUNTY OF *Suffolk*

I, JEFFREY R. LARSEN, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my oath and award.

**Signature of Arbitrator**

DATE OF DECISION: September 29, 1995